

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: OAK PARK TOWNSHIP) OEIG Case #16-00230

OEIG FINAL REPORT (REDACTED)

Below is an amended final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to the accused. In order to balance these interests, the Commission may redact certain information contained in this report. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission.

The Commission received this report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Governor’s Executive Inspector General, and to Oak Park Township.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.

I. ALLEGATION

On February 6, 2016, the Office of Executive Inspector General (OEIG) received a complaint alleging that Oak Park Township (Township)—a vendor for Pace Suburban Bus Division of the Regional Transportation Authority (Pace)—“has flagrant fraud and waste of taxpayer money.” Specifically, the complaint alleged that then-Township Transportation Coordinator Jeremiah Mabon made drivers falsify documents to inflate ridership by hundreds of rides a week.¹

II. BACKGROUND

A. Dial-A-Ride Service

Pace provides different kinds of paratransit service throughout Chicago’s six-county suburban region.² Paratransit services, such as “Dial-A-Ride” services, provide transit for eligible passengers who reserve and arrange rides in advance. In many cases, Pace does not offer Dial-A-

¹ [Other allegations of misconduct redacted].

² See *Paratransit Service*, PACEBUS.COM, <http://www.pacebus.com/sub/paratransit/> (last visited February 1, 2017).

Ride services directly and, instead, assists a unit of local government—such as the Township—that provides those services in a given region. These Dial-A-Ride service providers often have different eligibility and fare requirements for their services.

B. Oak Park Township's Transportation Department

The Township provides various services for eligible residents, including transportation. During this investigation, the Township's Transportation Department (Transportation Department) provided Dial-A-Ride services from 8:00 AM to 3:00 PM for Oak Park and River Forest seniors and people with disabilities.³ To receive rides, passengers typically had to schedule a ride with the Transportation Department at least 24 hours in advance. The Township suggested, but did not require, that passengers donate \$1.00 per ride.

Under the annual intergovernmental agreements between Pace and the Township, Pace gave the Township financial assistance and three buses.⁴ Specifically, Pace typically paid the Township \$3.00 per ride until the Township reached the maximum amount of rides set by each agreement.⁵ In exchange, Pace required, in part, that the Township report ridership information and complete periodic Vehicle Trip Surveys (surveys) for Pace buses. The process for compiling this information is further explained below:

(1) reporting ridership –

To report ridership, the Township logged rides with daily route sheets for each driver. These route sheets included the names of the scheduled passengers and their pick-up and drop-off times and addresses. The route sheets also had a “fare” column, where drivers would write down whether the passenger made a donation for each ride—i.e., “1.00” for a one dollar donation or “NP” for “no pay.” At the end of each shift, the drivers would write their total passengers at the bottom of the page and sign their names. Instead of sending Pace these route sheets, the Township would add up information from all of the route sheets, including ridership, and send Pace the totals, which Pace summarizes in the “Monthly Reports.”

(2) completing periodic surveys –

To complete surveys, drivers logged their pick-up and drop-off times, addresses, and mileage for each pick up and drop off. The Township then sent this information to Pace for the annual Federal Transit Administration report.

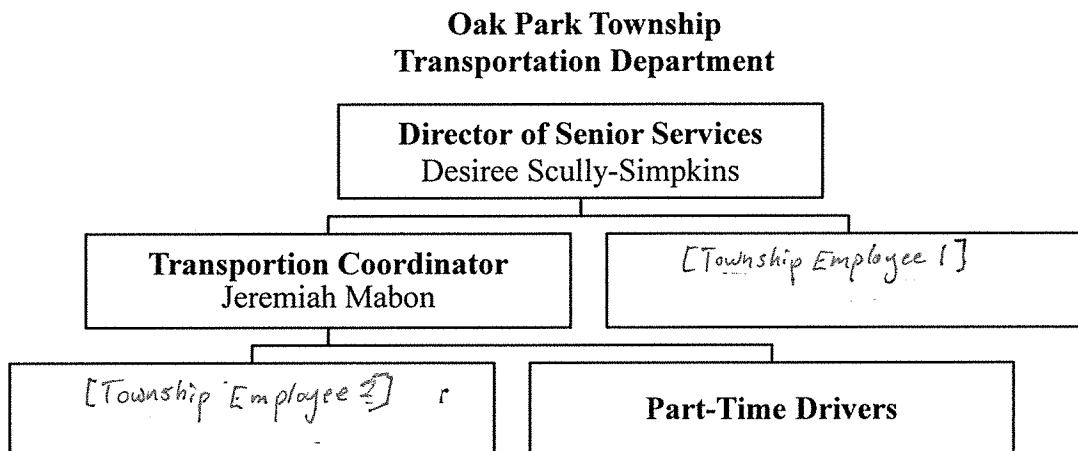
At the time of the complaint, the Transportation Department had four full-time employees and seven part-time drivers. The full-time employees were Director of Senior Services Desiree Scully-Simpkins, [Township Employee 1], Transportation Coordinator Jeremiah Mabon, and

³ See *Transportation*, OAKPARKTOWNSHIP.ORG, <http://www.oakparktownship.org/services/transportation> (last visited February 1, 2017). The Transportation Department also provided rides for accompanying caregivers.

⁴ The Transportation Department received the rest of its funding from Oak Park and River Forest tax dollars.

⁵ A more detailed explanation of Pace's payment formula can be found in the annual intergovernmental agreements between Pace and the Township. See, e.g., *Paratransit Service Provider Agreement By and Between Suburban Bus Division of the Regional Transportation Authority and Oak Park Township* (2016) (on file with Pace).

[Township Employee 2].⁶ [Township Employee 2] and the drivers reported to Mr. Mabon, who reported to Ms. Scully-Simpkins.



C. Pace's 2012 Audit Of Oak Park Township's Transportation Department

In 2012, Pace conducted a random audit of the Transportation Department.⁷ At first, Pace randomly selected three days in July 2012 to review route sheets. Pace discovered that the Township was including rides for people who scheduled a ride but did not receive a ride. If a passenger did not show up at the pick-up location for a scheduled ride, the driver would write "NL"—for "no load"—next to that person's name in the fare column on their route sheet. The driver would then include the "NL" ride toward the driver's daily total. According to Pace's Audit Report, which Pace sent to the Township on January 7, 2013: "In these instances the trip is not performed; therefore, the ride should not be reported."

Pace expanded the audit to cover January through August 2012 and discovered that the Township over-reported ridership by counting 14,312 NLs from January through August 2012. As a result, by October 2012, Pace had overpaid the Township over \$45,000 since January 2012. In response, Pace withheld payments in November and December 2012 and recouped the remaining funds in 2013.

According to Pace's 2012 audit report, Pace would return to "perform a follow-up site visit" within six months.

III. INVESTIGATION

The OEIG investigated whether the Township was falsifying ridership and, if so, who knew about the falsification and for how long. The OEIG also looked into whether Pace provided oversight of the Transportation Department.

⁶ [Redacted].

⁷ See Pace's Final Audit Report of the Township's Dial-A-Ride Paratransit Program (on file with Pace).

A. Investigation Of Oak Park Township's Falsification Of Ridership Records

To determine whether the Township falsified ridership, the OEIG reviewed thousands of documents and interviewed several Township employees, including three drivers—[Driver 1], [Driver 2], and [Driver 3]—[Township Employee 2], Mr. Mabon, [Township Employee 1], and Ms. Scully-Simpkins.

1. Interview of Former Oak Park Township Driver [Driver 1]

On March 28, 2016, the OEIG interviewed [Driver 1]. [Driver 1] said that he had been a Township driver for about [REDACTED] years. According to [Driver 1], Mr. Mabon and other drivers trained him to falsify ridership. He said that he had been falsifying ridership since he started at the Township, and that he also trained other drivers how to falsify ridership. [Driver 1] said that this was how things were done and that he needed a job.

[Driver 1] described how the Transportation Department falsified route sheets. He explained that Mr. Mabon filled the route sheets with fake passengers and had a morning routine for showing the drivers which passengers were fake: Mr. Mabon would have two print-outs of the same route sheet for each driver. On one of the print-outs, Mr. Mabon would write "NP" in the fare column next to the fake passengers' names to signal "no pick up," rather than "no pay." Mr. Mabon would give each driver both print-outs and instruct them to copy those NPs onto the other route sheet. Mr. Mabon would then collect the copy with his handwriting. [Driver 1] said that the drivers used the route sheet with their handwriting and knew not to pick up the people who had "NP" next to their names. He added that if a scheduled passenger subsequently cancelled a ride, Mr. Mabon would also instruct the drivers to write "NP" next to that person's name.

[Driver 1] said that, at the end of the day, the drivers would count all of these NPs as rides. He added that it would be difficult to determine which passengers were fake by looking at route sheets since drivers also wrote "NP," for "no pay," when actual passengers did not donate.

[Driver 1] also explained how the Transportation Department falsified ridership surveys. He said that the drivers had to falsify surveys because the surveys needed to match the falsified route sheets, but unlike the route sheets, the surveys required logging mileage for each ride. He said that, as a result, he would add mileage for fake rides. He added that most likely every survey he completed was inaccurate.

[Driver 1] said that all the drivers falsified ridership, and he has seen all of the drivers transfer the NPs onto their route sheets. He said that he was intimidated by Mr. Mabon and felt forced to falsify ridership.

2. Review of Oak Park Township Records

On March 11, 2016, OEIG investigators obtained records of the Township's Dial-A-Ride services, including route sheets and surveys from January 1, 2015, through March 10, 2016. Shortly after receiving these records, the OEIG learned of Pace's intention to conduct another audit of the Transportation Department that would cover this time period. Rather than duplicate efforts, the OEIG continued to interview Township employees while Pace conducted its audit.

Township records also confirmed that on April 8, 2016, the Township terminated Mr. Mabon's employment for failing to follow proper procedures and maintain accurate records.

3. Interview of Oak Park Township Drivers [Driver 2] and [Driver 3]

On July 13, 2016, the OEIG interviewed Township Drivers [Driver 2] and [Driver 3], separately. They both said that Mr. Mabon, [Township Employee 2], and all of the drivers were falsifying ridership since they had been at the Township.

[Driver 2] and [Driver 3] confirmed that Mr. Mabon filled route sheets with fake passengers and described the same morning routine as described by [Driver 1], including the use of "NP" next to the fake passengers' names on one of the route sheets. [Driver 2] and [Driver 3] said that Mr. Mabon also told them to drive around to add extra mileage when they had a survey, so the mileage on the bus would match the purported ridership.

[Driver 2] and [Driver 3] said that Mr. Mabon told the drivers and [Township Employee 2] to count the fake passengers and reprimanded anyone who did not comply. [Driver 2] said that none of the drivers wanted to falsify ridership, but they were afraid to do anything about it.

[Driver 2] and [Driver 3] recalled an instance when Mr. Mabon confronted [Driver 2] for refusing to falsify ridership. [Driver 2] said that she refused to falsify a route sheet and survey on March 16, 2015, and Mr. Mabon cursed at her and threatened to fire her if she did that again. [Driver 2] said that after she refused to redo the route sheets, Mr. Mabon started giving her shorter lunch breaks, assigning her more real rides, and treating her "horribly." [Driver 2] said that, as a result, she started falsifying the route sheets again.

[Driver 2] and [Driver 3] said that they did not know if Ms. Scully-Simpkins knew about the falsification.

4. Interview of Oak Park Township [Township Employee 2]

On September 16, 2016, the OEIG interviewed [Township Employee 2], who had been with the Transportation Department since [REDACTED]. [Township Employee 2] was responsible for data entry, assisting Mr. Mabon, and occasionally driving buses. [Township Employee 2] would also take over Mr. Mabon's responsibilities when he was out of the office.

[Township Employee 2] confirmed that Mr. Mabon filled route sheets with fake passengers, and she described the same route sheet process as [Driver 1], [Driver 2], and [Driver 3]. [Township Employee 2] also said that Mr. Mabon would also shift fake passengers to different route sheets to compensate for low ridership. She explained that there were about 20 fake passengers a day, but that there might be more fake passengers on Mondays or Fridays because those days typically have less real passengers. She added that Mr. Mabon would also add more fake passengers to route sheets to make up for holidays.

[Township Employee 2] explained that, when Mr. Mabon was out of the office, she created route sheets and gave drivers two route sheets in the morning, after writing the NPs next to the fake passengers on one of the route sheets. She said that, unlike Mr. Mabon, she would not

intentionally inflate ridership on slower days or add fake passengers to slower routes; instead, she would just add scheduled passengers to his route-sheet templates, which already contained fake passengers. She said that Mr. Mabon instructed her to not take fake passengers off of these route sheets.

[Township Employee 2] said that, on January 4, 2013, Township employees received training to draw a line through a person's name on a route sheet if the person did not receive a ride.⁸ She added that, for a time after Pace's 2012 audit, Mr. Mabon stopped falsifying route sheets. She said that she was out of the office for a few months, and when she returned, Mr. Mabon was falsifying route sheets again, using "NP" instead of "NL." [Township Employee 2] said that she told Mr. Mabon that they could not count anyone who does not ride the bus, and Mr. Mabon told her not to take anything off of the route sheet.

[Township Employee 2] said that it was hard to work for Mr. Mabon. She said that when drivers asked Mr. Mabon why they were adding fake passengers, he would say, "This is my office; I can do what the hell I want to do." [Township Employee 2] said, "I just did what I was told to do." She said that when she tried to put down the correct information, Mr. Mabon would yell at her.

[Township Employee 2] said that Township Manager Gavin Morgan, Ms. Scully-Simpkins, and [Township Employee 1] do not review route sheets, so they would not have known what was happening until the OEIG arrived in March 2016. When asked why she did not speak to anyone about the over-reported ridership, [Township Employee 2] said that she did not tell anyone about the falsification because of her fear of Mr. Mabon. She said that she should have spoken up earlier, but she did not do so because she just wanted to go to work and go home.

5. Interview of Former Oak Park Township Transportation Coordinator Jeremiah Mabon

On June 13, 2016, the OEIG interviewed Mr. Mabon. He said that he had been the Transportation Coordinator from 2001 until April 8, 2016, when the Township fired him. As Transportation Coordinator, Mr. Mabon managed the day-to-day operations of the Transportation Department with [Township Employee 2's] assistance. He was responsible for, among other things, scheduling rides, maintaining call logs, and creating route sheets.

According to Mr. Mabon, he made mistakes, but he denied intentionally falsifying route sheets. He said that he never instructed drivers to inflate ridership, and he added that some of the drivers did not like him, so they may say things to make him look bad.

Mr. Mabon confirmed that he gave drivers two route sheets in the mornings, after he wrote "NP" next to certain names on one of the route sheets. He confirmed that he told the drivers to copy the NPs onto their route sheet, and that the drivers would then return the copy with his handwriting. He said that drivers were still supposed to pick up the persons with "NP" next to

⁸ The OEIG obtained Township records regarding a training on how to properly log ridership by Ms. Scully-Simpkins, which the Township held on January 4, 2013—after Pace's 2012 audit. Transportation Department employees signed a form indicating that they received this training, including Mr. Mabon, [Township Employee 2], [Driver 2], and [Driver 3].

their name, and he did not instruct the drivers to do otherwise. He said that he wrote “NP,” for “no pay,” next to the names of passengers that he knew never paid. When asked why he would write “NP” before providing a ride, he said that he “did it for the drivers,” because it saves them time in the field.

Mr. Mabon said that drivers also wrote “NP” on the route sheets for “no pick up.” He explained that if a driver went to a pick-up location and the person did not receive a ride, a driver would write “NP” on the route sheet. When asked how someone could distinguish between an “NP” for “no pick up” and an “NP” for “no pay,” Mr. Mabon said that only the driver would know. When asked why he did not have drivers put different labels for “no pay” and for “no pick up,” he said he had not thought of that.

Mr. Mabon said that if people are on the route sheet, they count as a ride. He said that it did not matter if the person actually received a ride, because as long as they requested a ride, [Township Employee 2] would count it as a ride. He said that a driver would get credit for a ride, even though no one received a ride, because the driver still showed up to the pick-up location to provide a ride. He said that if a scheduled rider called and canceled a ride before the driver arrived at their pick-up location, he would notify the driver on the radio, and the driver would cross out that person’s name on the route sheet. He said that, in that instance, it would not count as a ride because the driver did not go to the pick-up location.

Mr. Mabon explained that there are instances when people do not schedule or receive a ride, but the Transportation Department still counts them as having received a ride. He said that he used a “Master Sheet” to create route sheets, and he would handwrite the names of the people who called to schedule a ride onto it. He said that he did not require people who ride regularly (regulars)—such as people on dialysis—to call in for rides, and he would have their names already typed onto the Master Sheet. He said that it was the drivers’ responsibility to tell him when they did not pick up a regular. He said that he usually gave a regular about a week of not showing up before removing them from the Master Sheet, adding that the Transportation Department would still count that regular as having received rides that week.

OEIG investigators asked Mr. Mabon why the drivers would not have crossed out the names of the people who did not receive rides. Mr. Mabon responded that he did not know and that they should have.

Mr. Mabon said he never received training on how to calculate and document ridership from the Township or from Pace. He said that he counted ridership the way he was trained to do when he started in 2001. He said that he could not remember who trained him, and that no one ever told him to change how the Transportation Department calculated ridership. Mr. Mabon said that before using “NP,” he used “NL,” meaning “no load.” He said that he did not recall when “NL” switched to “NP” or who decided to switch “NL” to “NP.”

Mr. Mabon said that Ms. Scully-Simpkins told him that he needed to keep ridership up so that the Township employees could keep their jobs. He clarified that Ms. Scully-Simpkins did not tell him to count people that were not actually receiving rides. Mr. Mabon said that he did his job, and he just wishes the changes that the Township made after the OEIG arrived in March 2016 would have taken place earlier.

6. Interview of Oak Park Township [Township Employee 1]

On October 24, 2016, the OEIG interviewed [Township Employee 1]. [Township Employee 1] had responsibilities across many departments, including the Transportation Department. [Township Employee 1] said that, for the Transportation Department, she was responsible for, among other things, reviewing the Transportation Department's monthly totals and sending those totals to Pace. She said she was not involved in over-reporting ridership; that she did not know why Mr. Mabon falsified ridership; and that she did not know why the drivers did not tell anyone earlier.

[Township Employee 1] explained that the Transportation Department was trained how to accurately report ridership after Pace's 2012 audit. She said that, at the time, she thought Mr. Mabon was just mistaken about how to count ridership, but after this audit, everyone knew not to count people who do not show up for a ride. [Township Employee 1] said that the Transportation Department had trainings on how to report ridership correctly, and that Pace auditors had constant contact with the Transportation Department about only reporting passengers who get on the bus. She said that she also repeatedly talked to Mr. Mabon and [Township Employee 2] about only reporting people who get on a bus.

[Township Employee 1] said that she noticed ridership decrease during Pace's 2012 audit period and then immediately increase after the audit. She said that in November 2012, before Pace's audit findings came out, [Pace Employee 1] sent her an email to confirm whether the Township's ridership numbers were correct. [Township Employee 1] said that she looked into this increase with Mr. Mabon and [Township Employee 2], and they all attributed the increase to the fact that the Township changed locations in August 2012. She explained that the Township used to be located in Oak Park Arms residences, where many seniors live, but after the Township moved to their current location, those residents needed transportation for the lunch program.⁹

[Township Employee 1] said that, after the 2012 audit, she did random, periodic spot checks of route sheets to make sure the Transportation Department was completing them correctly. She said that she thought the Transportation Department was doing things correctly because she saw that drivers were no longer using "NL" and were crossing off some names. [Township Employee 1] said that she did not think that they would have switched to using "NP" to count people who did not get on a bus.

7. Interview of Oak Park Township Director of Senior Services Desiree Scully-Simpkins

On October 24, 2016, the OEIG also interviewed Ms. Scully-Simpkins. As Director of Senior Services, Ms. Scully-Simpkins is in charge of 11 senior-services programs, including transportation. She said that she is responsible for ensuring the Transportation Department adheres to Pace's policies and procedures, that Mr. Mabon was responsible for managing the Transportation

⁹ After her interview, [Township Employee 1] provided the OEIG with an email that she sent to [Pace Employee 1], Ms. Scully-Simpkins, Mr. Mabon, and [Township Employee 2] on December 19, 2012. In this email, [Township Employee 1] said that she reviewed the data in detail and confirmed that drivers were crossing out "no shows" on their route sheets. She also provided the amount of additional ridership caused by the lunch program for each day in November 2012.

Department, and that [Township Employee 1] reviewed Transportation Department records for discrepancies.

Ms. Scully-Simpkins said that she had trusted Mr. Mabon because he had been in the transportation business for a long time and appeared to be doing his job correctly. She said that she was not involved in reviewing route sheets. Ms. Scully-Simpkins said that, after the 2012 Pace audit, she thought that the Transportation Department was just mistaken about how to count ridership. She said that there was no discipline issued as a result of Pace's findings because she and her supervisor, Township Manager Gavin Morgan, did not think that anyone intended to do anything wrong.

Ms. Scully-Simpkins said that the Transportation Department was trained on how to accurately report ridership after the 2012 Pace audit. She said that [Pace Employee 2] trained Mr. Mabon while she was at the Township, and that [Township Employee 1] retrained Mr. Mabon for several months to make sure everything was accurate. Ms. Scully-Simpkins said that she (Ms. Scully-Simpkins) also gave a training on January 4, 2013, for Mr. Mabon, [Township Employee 2], and all of the drivers. She said that during this training she taught them to put a line through the names of the people who do not show up for their rides.¹⁰

Ms. Scully-Simpkins said that she did not understand why the Transportation Department over-reported ridership again or why Mr. Mabon would over-report ridership at all. She said that she did not know what Mr. Mabon gained since he did not have access to the money the Township received from Pace. She recalled an incident when she called Mr. Mabon out for having low ridership in front of all of her staff, and she speculated that Mr. Mabon might have started inflating ridership in response. Ms. Scully-Simpkins said that she also did Mr. Mabon's annual evaluations, which determined whether he would receive merit-based raises. She said that Mr. Mabon's falsified numbers were impressive and likely contributed to his positive evaluations.

Ms. Scully-Simpkins said that she did not know why the drivers did not tell anyone about the falsification sooner and that she never received any complaints regarding Mr. Mabon being mean to the drivers.

8. Pace's 2016 Audit of Oak Park Township's Transportation Department

After the OEIG began investigating this case, Ms. Scully-Simpkins notified Pace that Mr. Mabon appeared to be intentionally over-reporting ridership and that the Township was doing an internal investigation. After receiving this information, Pace began another audit and provided their results to the Township on December 22, 2016.

Pace reviewed route sheets from January 2013 through March 18, 2016, and determined that drivers returned to counting rides that they did not provide. Unlike in 2012, when the person did not get on the bus, drivers wrote "NP" in the fare column of their route sheet, rather than "NL." But drivers also wrote "NP," for "no pay," when real passengers did not donate for the ride. Thus, on the face of the route sheets, the fake passengers appeared to be real passengers.

¹⁰ The OEIG obtained Ms. Scully-Simpkins's notes for this training, labeled, "January 4, 2013 Transportation Meeting Talking Points." These notes included instructions to not count "no shows" as rides on route sheets and surveys.

Nonetheless, using names provided by the Township and various methods, Pace was able to confirm and identify many fake passengers. Pace identified, for example, two people who the Transportation Department continued to schedule and count as passengers after they died: Passenger #1 died in August 2014 and continued to appear on route sheets until January 2016. Passenger #2 died in February 2011 and continued to appear on route sheets for the tested period, “almost daily.”

Pace estimated that the Township over-reported ridership from January 2013 through March 18, 2016, by “a minimum” of **46,226** rides, noting that “[t]he figure may be larger.” After correcting payment for actual ridership in January and February 2016 and withholding the March 2016 payment, Pace still overpaid the Township about **\$131,890** by the end of March 2016.¹¹

Pace has since decided not to renew an agreement with the Township for Dial-A-Ride services.¹²

B. Pace’s Oversight Of Oak Park Township

As part of its investigation, the OEIG reviewed Pace’s “Monthly Reports” for the Township and interviewed [Pace Employee 2], who conducted the 2012 and 2016 audits of the Transportation Department.

1. Review of Oak Park Township’s Monthly Reports

In accordance with its agreements with Pace, the Township provided Pace with monthly totals, including ridership, and Pace used these totals to create Monthly Reports. The OEIG reviewed the Township’s Monthly Reports from January 2010 through August 2016 for any signs of the Township’s falsification. According to the Monthly Reports, the Township’s monthly ridership dropped during the 2012 audit, and by November 2012, ridership increased to nearly the same amount as before the audit.

As previously stated, [Township Employee 1] told OEIG investigators that [Pace Employee 1] contacted her about the spike in ridership in November 2012. [Township Employee 1] said that she explained to [Pace Employee 1] that the Township moved locations in August 2012, which increased rides for the Township’s lunch program. The Township’s average monthly ridership then remained relatively constant until the OEIG obtained the Township’s records in March 2016.

2. Interview of [Pace Employee 2]

On October 28, 2016, the OEIG interviewed [Pace Employee 2]. [Pace Employee 2] is responsible for working on projects and audits in the annual audit plan with her subordinate auditors. [Pace Employee 2] said that she performed an audit of the Transportation Department in 2012 and again in 2016. When asked who determines what is audited, [Pace Employee 2] said that this decision is made by several Pace employees, including [Pace Employee 2]; her supervisor,

¹¹ According to Pace’s Audit Report, the Township took “corrective action” after becoming aware of the falsification, and the Transportation Department appeared to start reporting ridership accurately by March 21, 2016.

¹² Pace extended the 2016 intergovernmental agreement with the Township until April 2017 to allow the Township to transition to providing transportation services without Pace’s assistance.

Chief Internal Auditor Colette Thomas-Gordon; Pace's Audit Committee; and Executive Director Thomas J. Ross.

[Pace Employee 2] said that she audited the Township in 2012 based on the high funding Pace was providing the Township. [Pace Employee 2] said the Township did not have the highest ridership numbers, and at that time, Pace did not have reason to suspect foul play. [Pace Employee 2] added that there are other municipalities with higher ridership and that it is hard to compare different localities because the ages and sizes of their populations differ.

[Pace Employee 2] said that, after her 2012 audit, she believed that Mr. Mabon and [Township Employee 2] were under the false impression that if a driver went to a scheduled pick-up or drop-off location, then it counted as a ride, regardless of whether the person got on the bus. She said that, in 2012, she went to the Township and told [Township Employee 1], Mr. Mabon, and [Township Employee 2] to only count people who physically get on the bus.¹³ She said that they seemed receptive and told her that they understood.

[Pace Employee 2] said that she did not return to audit the Township within six months of the 2012 audit, as planned, because other work took priority. She said that she was not sure whether she would have been able to catch the falsification even if she did return six months later, because she would not have known that the Township switched to using NPs to count fake passengers.

According to [Pace Employee 2], [Pace Employee 1] reviewed the Township's reports for anything out of the ordinary. [Pace Employee 2] said that [Pace Employee 1] noticed a spike in ridership after Pace's 2012 audit and followed up with the Township. [Pace Employee 2] said that someone from the Township told [Pace Employee 1] that the spike in ridership was caused by the Township moving to a new location. [Pace Employee 2] said that, based on the Township's monthly totals, [Pace Employee 1] would not have been able to notice the Township switch from using "NL" to using "NP."

[Pace Employee 2] added that other municipalities usually require their passengers to pay, which makes it easier to tell whether people are actually receiving rides.

IV. ANALYSIS

Under the Township's annual intergovernmental agreements with Pace, the Transportation Department was required to, among other things, submit accurate ridership data to Pace, which affected the amount of money Pace paid the Township for Dial-A-Ride services.

Pace's 2016 audit and the OEIG's interviews with Township employees demonstrate that the Township over-reported ridership from January 2012 to March 2016. [Pace Employee 2] determined that various people could not have received rides as reported by the Township, including those who were deceased. Likewise, [Driver 1], [Driver 2], [Driver 3], and [Township Employee 2] described the same falsification process: drivers received two route sheets, with one

¹³ In her letter to the Township on January 7, 2013, Pace Chief Internal Auditor Colette Thomas-Gordon also notified the Township that people who do not get on a bus should not count toward ridership. *See* Pace's Final Audit Report of the Township's Dial-A-Ride Paratransit Program (January 7, 2013) (on file with Pace).

route sheet having “NP” written next to the fake passengers’ names. They also confirmed that Mr. Mabon, [Township Employee 2], and all of the drivers were involved with falsifying ridership.

Mr. Mabon’s alternative explanation of how ridership became inflated was not credible. First, Mr. Mabon described the same process, but claimed that—to save drivers time—he wrote “NP” next to the passengers’ names that he knew would not pay. Even assuming some repeat passengers never donated, Mr. Mabon said that the drivers are the only ones who know which passengers got on the bus. Therefore, it is unlikely that he memorized which passengers get on the bus and do not pay.

Second, Mr. Mabon said that he had the Transportation Department count ridership as he was trained to do: if the driver goes to a location to pick someone up, that person counts as a ride, regardless of whether the person gets on the bus. This is the same excuse Mr. Mabon gave in 2012. However, according to [Pace Employee 2], she told Mr. Mabon in 2012 to only count passengers who get on the bus. Ms. Scully-Simpkins said she repeated these instructions on January 4, 2013, which is corroborated by her notes from this meeting.

It remains unclear why Township employees falsified ridership. Regardless of the reason, the benefit of the falsification to the Township was substantial. According to Pace’s preliminary audit findings, the Township over-reported ridership by a minimum of 46,226 rides from January 2013 through March 2016. As a result, Pace overfunded the Township by about \$131,890—35% of the total funding Pace gave the Township during this period. From January 2012 through March 2016, the Township over-reported 60,538 rides—over a third of the ridership reported to Pace during this period. The OEIG finds that the allegation that the Township submitted falsified ridership records to Pace is **FOUNDED**.¹⁴

Furthermore, the OEIG concludes that Pace provided proper oversight of the Township based on its monitoring of the Township’s ridership, its reasonable belief that the Township misunderstood how to log ridership in 2012, and the appropriate steps it took after learning about the falsification in 2016.

Specifically, after their 2012 audit, Pace continued to monitor the Township’s ridership which remained consistent after increasing at the end of 2012. [Pace Employee 1] contacted the Township, and in response, [Township Employee 1] provided Pace with a detailed explanation of the increase in ridership reported. Although Pace did not conduct another audit in the six months after the 2012 audit, [Pace Employee 2] said that decision was based on Pace’s belief that the Township’s original over-reporting was due to a misunderstanding of how to count ridership, and also because other work took priority. Even if Pace had conducted a second audit sooner, it is unclear whether Pace would have discovered the falsification because the Transportation Department started using “NP” to signal fake passengers and all of the NPs would have appeared to be non-paying passengers. And finally, in 2016, when the Township notified Pace of the possible falsification of ridership, Pace audited the Transportation Department again, began recouping funds, and chose not to renew its agreement with the Township for Dial-A-Ride services.

¹⁴ The OEIG concludes that an allegation is “founded” when it determines that there is reasonable cause to believe that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or a violation of law or policy.

V. FINDING AND RECOMMENDATIONS

As a result of its investigation, the OEIG concludes that there is **REASONABLE CAUSE TO ISSUE THE FOLLOWING FINDING:**

- **FOUNDED** – the Oak Park Township’s Transportation Department submitted falsified ridership records to Pace.

After the OEIG started this investigation, Pace chose not to renew its agreement with the Township for Dial-A-Ride services in 2017. Because Pace has already acted, the OEIG makes no further recommendation regarding Pace’s agreement with the Township.¹⁵

However, Pace may want to consider taking additional steps to ensure other Dial-A-Ride service providers are not also falsifying or systematically miscounting ridership, including for example:

- creating best practices on how Dial-A-Ride service providers log ridership; and
- providing a clear definition of what constitutes a “ride” for reimbursement in each intergovernmental agreement for Dial-A-Ride services.

Because the Township’s falsified ridership caused a substantial loss of public funds, the OEIG referred this matter to the Office of the Illinois Attorney General on November 18, 2016, pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/20-80).

No further investigative action is needed, and the OEIG considers this case closed.

Date: **February 15, 2017**

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 W. Washington St., Suite 3400
Chicago, IL 60602-3152

Anthony-Ray Sepúlveda
Assistant Inspector General

Daniel Bohaczyk
Investigator II #114

¹⁵ Eligible Oak Park and River Forest residents may still be able to receive transportation through Pace’s West Cook County ADA. Additionally, at the time of this report, the Township is also working to continue providing curb-to-curb transportation services without Pace’s assistance.



Office of Executive Inspector General
for the Agencies of the Illinois Governor

www.inspectorgeneral.illinois.gov

OEIG RESPONSE FORM

Case Number: 16-00230

Return By: March 20, 2017

Please check the box that applies. (Please attach additional materials, as necessary.)

☐ We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

☒ OEIG found that Oak Park Township's Transportation Department submitted falsified ridership records to Pace. OEIG made no findings as to Pace. OEIG stated that Pace might want to consider taking additional steps to ensure other Dial-A-Ride providers are not falsifying or systematically miscounting ridership. Pace will report to OEIG within 45 days from the original return date.

☐ We do not wish to implement any of the OEIG recommendations. Please provide details as to actions taken, if any, in response to OEIG recommendations:

Signature *Melinda Metzger*

Melinda Metzger

Print Name

Deputy Executive Director, Revenue Services

Print Agency and Job Title

3/15/17

Date

-----Original Message-----

From: [mailto:]
Sent: Tuesday, April 04, 2017 4:37 PM
To: Opperman, Fallon
Subject: Illinois.gov File Transfer Link - OEIG Case Number 16-00230 - Pace follow up

You have a file (16-230.operationsbulletin.corrective action.pdf) waiting for you, sent by james.caronis@pacebus.com.

Message from sender: Ms. Opperman,

Based on OEIG suggestions in its 2-23-17 final report, Pace submitted the attached operations bulletin to municipal carriers, reminding them of the definition of passenger trips and that they should maintain and report the number of passengers who use the respective municipal service.

Please contact me if you have any questions or concerns.

Thank you.

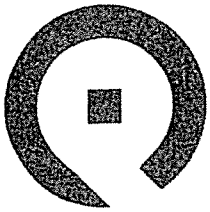
Jim Caronis

847-228-

To download the file, simply click this link
<https://fileT.illinois.gov/filet/download.asp?key=vnQE pQ42DIM1rfeO6cZS8HlaCNalTHjP>

If you are unsure of the sender, or question the file, validate with the sender james.caronis@pacebus.com before downloading

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pace

Suburban Bus Service

OPERATIONS BULLETIN

OPERATIONS BULLETIN #SBD-17-43

ATTENTION: Municipal Service Providers

SUBJECT: One-Way Trip Definition for Municipal Bulletin Manual

DATE: March 24, 2017

As a reminder, one-way passenger trips are defined and should be recorded as follows:

One Way Passenger Trips: A one-way trip shall be defined as transporting an authorized rider from a scheduled origin to a scheduled destination. A trip occurs when the Service Provider picks up and drops off an authorized rider at their scheduled origin and destination. ***Completed*** travel from the origin to a destination is one (1) trip.

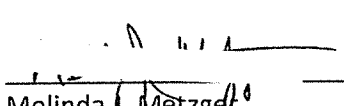
Example:

| Date of Service | Passenger | Scheduled Time/ Pickup Time | Pickup Location (Origin) | Drop Off Location (Destination) | #of Trips |
|-----------------|--|--------------------------------|-----------------------------|------------------------------------|-----------|
| 3-7-17 | Jane Doe | 10:00am/ 10:05am | 408 S Oak Park Ave | 105 S Oak Park Ave | 1 |
| 3-7-17 | Jane Doe | 1:00pm/1:15pm | 105 S Oak Park Ave | 408 S Oak Park Ave | 1 |
| 3-7-17 | Total One- Way Trips (Ridership) | | | | 2 |

One-way passenger trips should be maintained on the driver's Daily Trip Sheet by the eleven categories listed. At the end of the month summarize and report the total number of passengers who board all vehicles during the month by category.

Ridership: Ridership is defined as the accumulation of one-way trips.

If you have any questions, please contact Randy Comstock at 847-228-4223.


Melinda Metzger
Deputy Executive Director
Revenue Services

**PACE PARATRANSIT DEPARTMENT
MONTHLY REPORT PACKAGE**

PROJECT: _____
MONTH/YEAR: _____

PAGE 1

Complete report by 10th of the month

This monthly report includes the following documents:

Passenger Trips (page 1)
Revenue and Expense Summary (Page 2)
Operating Data (Page 3)

Additional vehicle data sheet (page 4 - if applicable)
Monthly Vehicle Summary for each vehicle
Copy of PM form for each vehicle (if applicable)

This information in this report is true and accurate to the best of my knowledge.

Prepared by: _____

Section I

Did you have any accidents/incidents this month?

☐ Yes ☒ No

If yes list vehicle number (s) and date (s):

If yes, enter the number of accidents/incidents

Did you hire any new drivers this month?

☐ Yes ☒ No

If yes list driver name (s):

Section II

One-Way Passenger Trips by Category and Pace Minimum Fare

| | Weekday Ridership | Saturday Ridership | Sunday Ridership | | Fares | Revenue |
|--|----------------------|-----------------------|---------------------|---|--------|---------|
| 1. Adults | 0 | | | X | \$2.00 | 0.00 |
| 2. Non-Disabled Elderly (Under 65) | | | | X | \$2.00 | |
| 3. Non-Disabled Elderly (65 and older) | 0 | | | X | \$1.00 | 0.00 |
| 4. Disabled | 0 | | | X | \$1.00 | 0.00 |
| 5. Students/Children (7 and older) | | | | X | \$1.00 | |
| 6. Free Children (under age 7) | | | | | | |
| 7. Transfers Received | | | | | | |
| 8. Passes Received - Adults | | | | | | |
| Passes Received - Reduced | | | | | | |
| 9. Plus Bus Passes Received | | | | | | |
| 10. 10 Ride Plus Tickets Received | | | | | | |
| 11. Other (please explain) | | | | | | |
| 12. TOTAL RIDERSHIP | | | | | | |
| 13. Full Fare Transfers Sold | | | | X | \$0.25 | |
| 14. Half Fare Transfers Sold | | | | X | \$0.15 | |
| 15. TOTAL PACE MINIMUM FARE REVENUE | | | | | | |
| 16. Subscription Trips (this figure should be included in previous trip categories) | | | | | | |
| 17. Lift Trips (this figure should be included in Disabled category) | | | 0 | | | |